

# House File 2380 - Introduced

HOUSE FILE \_\_\_\_\_  
BY UPMEYER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing a tax credit for investment in qualified health  
2 information technology, and providing a retroactive  
3 applicability date.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 6337YH 82  
6 pf/rj/5

PAG LIN

1 1 Section 1. NEW SECTION. 422.11V QUALIFIED HEALTH  
1 2 INFORMATION TECHNOLOGY EXPENSE TAX CREDIT.  
1 3 1. The taxes imposed under this division less the credits  
1 4 allowed under section 422.12 shall be reduced by a qualified  
1 5 health information technology expense tax credit for a  
1 6 taxpayer in the amount of fifty percent of the actual amount  
1 7 expended. The amount of the credit computed under this  
1 8 section shall not be deducted as a business expense for state  
1 9 tax purposes.  
1 10 2. For the purposes of this section:  
1 11 a. "Qualified health information technology expense" means  
1 12 the expenditure of funds by a taxpayer for health information  
1 13 technology hardware or software used directly in the  
1 14 establishment and maintenance of health information  
1 15 technology, but including such software only if verified as  
1 16 interoperable by the department of public health.  
1 17 b. "Taxpayer" means a health care provider including a  
1 18 person licensed or certified under chapter 147, 148, 148A,  
1 19 148C, 149, 150, 150A, 151, 152, 153, 154, 154B, or 155A to  
1 20 provide in this state professional health care service to an  
1 21 individual during that individual's medical care, treatment,  
1 22 or confinement.  
1 23 3. Any credit in excess of the tax liability is not  
1 24 refundable, but the excess for the tax year may be credited to  
1 25 the tax liability for the subsequent tax years until depleted.  
1 26 4. An individual may claim the tax credit allowed a  
1 27 partnership, limited liability company, S corporation, estate,  
1 28 or trust electing to have the income taxed directly to the  
1 29 individual. The amount claimed by the individual shall be  
1 30 based upon the pro rata share of the individual's earnings of  
1 31 the partnership, limited liability company, S corporation,  
1 32 estate, or trust.  
1 33 5. To receive the qualified health information technology  
1 34 expense tax credit, a taxpayer shall submit an application to  
1 35 the department accompanied by a certificate received from the  
2 1 department of public health verifying the taxpayer's qualified  
2 2 health information technology.  
2 3 If the taxpayer meets the criteria for eligibility, the  
2 4 department of revenue shall issue to the taxpayer a  
2 5 certification of entitlement for the taxpayer's qualified  
2 6 health information technology expense tax credit.  
2 7 The certification shall contain the taxpayer's name,  
2 8 address, tax identification number, the amount of the credit,  
2 9 and tax year for which the certificate applies. The taxpayer  
2 10 shall file the tax credit certificate with the taxpayer's tax  
2 11 return in order to claim the tax credit. The department of  
2 12 revenue, in cooperation with the department of public health,  
2 13 shall adopt rules pursuant to chapter 17A to administer this  
2 14 section.  
2 15 Sec. 2. Section 422.33, Code Supplement 2007, is amended  
2 16 by adding the following new subsection:  
2 17 NEW SUBSECTION. 25. The taxes imposed under this division  
2 18 shall be reduced by a qualified health information technology  
2 19 expense tax credit in the same manner and subject to the same

2 20 conditions, requirements, and dollar limitations as provided  
2 21 in section 422.11V.  
2 22 Sec. 3. RETROACTIVE APPLICABILITY DATE. This Act applies  
2 23 retroactively to January 1, 2008, for tax years beginning on  
2 24 or after that date.

2 25 EXPLANATION

2 26 This bill provides a qualified health information  
2 27 technology expense tax credit under the individual and  
2 28 corporate income taxes.

2 29 A taxpayer who may claim the tax credit includes health  
2 30 care providers including a person licensed or certified under  
2 31 one of the health-related professions including but not  
2 32 limited to medicine and surgery, physical therapy,  
2 33 occupational therapy, physician assistants, podiatry,  
2 34 osteopathy, osteopathic medicine and surgery, chiropractic,  
2 35 nursing, dentistry, optometry, psychology, and pharmacy. The  
3 1 amount of the credit equals 50 percent of the costs of the  
3 2 qualified health information technology. Any excess credit  
3 3 may be carried forward to succeeding tax years.

3 4 The bill directs the department of public health to adopt  
3 5 rules specifying the requirements for qualified health  
3 6 information technology and to provide for certification of  
3 7 qualified health information technology.

3 8 The bill applies retroactively to January 1, 2008, for tax  
3 9 years beginning on or after that date.

3 10 LSB 6337YH 82

3 11 pf/rj/5